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The University of Chicago

# ROUND TABLE

A RADIO DISCUSSION OF

# MUST THE WORLD UNITE?

PETER DRUCKER · WALTER LAVES · EUGENE STALEY

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# ROUND TABLE

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## NOTE

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# MUST THE WORLD UNITE?*

## A UNIVERSITY OF CHICAGO ROUND TABLE BROADCAST

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* A radio discussion broadcast from the University of Chicago over the Red Network of the National Broadcasting Company, Sunday, March 17, 1940, at 1:30 P.M., Central Standard Time.

The ROUND TABLE, oldest educational program continuously on the air, is broadcast entirely without a script. Subjects are chosen because of their social, political, or economic significance. The program has no "ax to grind." In the selection of speakers, the effort is to provide a balanced discussion by participants who have special competence and knowledge. The opinion of each speaker is his own and in no way involves the responsibility of either the University of Chicago or the National Broadcasting Company.

# MUST THE WORLD UNITE?

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*There will come a day when the second World War will end. The guns will be silent and the silent dead will lie in broken fields and in the ruins of cities and in the hulls of ships and of submarines resting on the floor of the sea.*

*The wounded and the homeless, the refugees, the mothers and children, the soldiers with their honorable discharges—all will begin their weary trek back to the cities and to the farms which were theirs in the days of peace.*

*Diplomats will once more meet at long green tables; parliamentarians will make long speeches in the legislatures; some of the workers will return to the factories; and the great task of building a new peace—a new Europe and a new world—will begin.*

*What will it be like? Must the world unite?*

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MR. LAVES: Whenever we look at our newspapers and whenever we turn on the international news broadcasts, we find as much space given to plans for peace as to reports on the conduct of the war itself. Isn't this a strange thing when compared with the last war?

MR. DRUCKER: You will find it is even more so if you look at the English newspapers. For every five columns of news there are about ten columns of peace discussions and peace proposals.

MR. STALEY: I suppose that is because the people there, like the people here, see that it is no use winning a war unless you can also win a stable peace afterward.

MR. DRUCKER: Yes, and it must be more than just a truce between two wars.

MR. LAVES: What is actually happening is that men are at-

tempting in time of war to prepare for peace and that is why we have all this talk about unions and organizations of the world.

MR. STALEY: But why so much more than ever before?

MR. DRUCKER: Because we have all learned the lesson that it is useless to win the war unless we also win the peace.

MR. LAVES: But isn't there also another reason: that war is far more contagious today than it ever was before?

MR. DRUCKER: And far more destructive.

MR. STALEY: Yes, the wars we are having now might be said to have started, perhaps, in Manchuria, since when we have had wars in Ethiopia, Austria, Czechoslovakia, and Poland.[1]

MR. LAVES: Yes, and this has been a continuous series of conflicts. Each one has been taken by itself as though it were an individual conflict, but has really given rise to the next one and aggression has been added to aggression until finally practically all the nations of the world are involved.

MR. STALEY: War is contagious, and as Drucker said a moment ago, it is more destructive than before.

MR. DRUCKER: Especially since the neutrals can no longer hope to isolate themselves completely against the shock of war.

MR. LAVES: That is, the neutrals are far more vulnerable now than they were in preceding wars. There was a day when they could isolate themselves.

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[1] *The "war to end war" was followed by a sequence of more than twenty small conflicts in all parts of the world. At no time was "peace" more than a breathing spell between campaigns. These wars grew in importance during the last decade with the intensified conflicts of Japan in the Far East, Italy in Ethiopia and Albania, Germany in Austria, Czechoslovakia, Memel, Danzig, and Poland, Russia in Poland and Finland, and the "civil" war in Spain.*

MR. DRUCKER: But today they are not only politically very vulnerable but even more so economically. Just take, for instance, Sweden.

MR. STALEY: I understand they are even now having to ration foodstuffs in Sweden.

MR. DRUCKER: Far more severely than in England.

MR. LAVES: You mean in connection with this recent attack?

MR. DRUCKER: Oh, no, before that, Laves; right from the start. After all, they are dependent on England and Germany both for imports and exports.

MR. STALEY: The same thing is true of Switzerland and some of the other small neutrals in Europe.

MR. LAVES: You don't mean that these small countries are simply trying to ration out what they are going to give to the belligerents? You mean that they are rationing their own people?

MR. DRUCKER: Definitely!

MR. STALEY: And, of course, the bigger neutrals a little farther away, like the United States, also feel the effects of war. You don't feel it quite so strongly, of course—not nearly so strongly as Switzerland—but you do see tobacco growers losing some of their markets.[2]

MR. LAVES: And I suggest also that the neutral countries are themselves interested in this question that we are discussing here today: whether the world shall unite; whether it *must* unite.

MR. DRUCKER: It is even more discussed in Europe than it is over here.

MR. LAVES: That suggests, I think, this further point: whether it is possible for any country in this world of ours to isolate itself

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[2] *The British have started large-scale purchases of tobacco in Turkey, presumably on grounds of political expediency, aiming thus to solidify the treaty signed late last year between Turkey, England, and France.*

from the problems of war; whether it is possible, indeed, for any country to isolate itself from a proposed union of the world.

MR. DRUCKER: You mean today, or in the future, or both?

MR. LAVES: From my point of view, the present—that is today—extends quite a long way into the future.

MR. DRUCKER: Is it to become more difficult or not?

MR. STALEY: You mean in terms of children now growing up? I understand each one of us has a little daughter now. By the time they get old enough to be adults, is this problem going to be more serious or less, or can we forget it, perhaps, by that time?

MR. LAVES: It is brought out more forcefully if you notice recent references to American Legion celebrations. The average age of the men who were in the last war is about forty-five now, and they are concerned about this war in terms of this generation. And you want now to look ahead correspondingly, let us say, to about twenty years from now.

MR. DRUCKER: I think, Laves, you have to do that because the question of union depends not upon what is going to happen today but ten or twenty years from now.

MR. STALEY: Probably the need for union, whatever it is—whether it is practicable or not is another question—is likely to get stronger rather than less strong.

MR. LAVES: Put it this way, Staley: the trend which has been showing itself, say, during the past twenty to fifty years, is likely to continue—the trend toward a shrinking world.

MR. STALEY: We have had the world shrinking because of the work of our scientists, inventors, and engineers. I doubt whether they are going to stop working.

MR. DRUCKER: You mean that the nations of the world are becoming closer neighbors? Don't you think that would promote more equitable and more friendly relations? At least, that is what we always learned in our textbooks, didn't we?

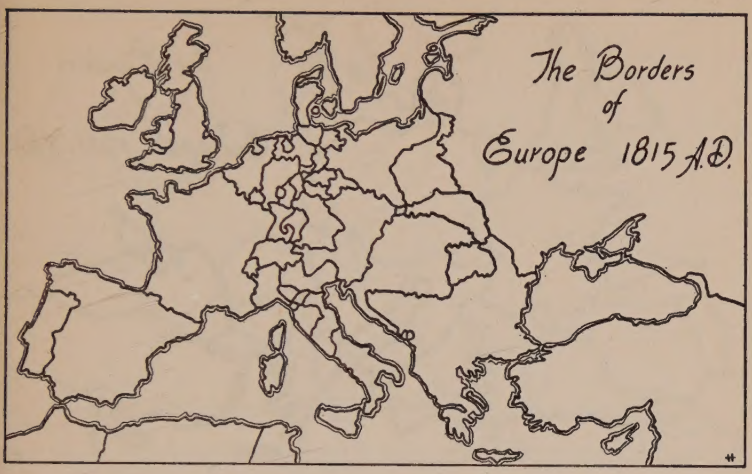
MR. STALEY: I am not sure about the last, but at any rate we *are* getting closer. Take, for instance, the matter of travel time. I think there are three fundamental ways that people get together over distances. One is by travel, one is by transport, and one is by communication. Just look at the travel for a moment and how much faster we can get around than, say, George Washington could.

MR. LAVES: That, of course, would show that it is not merely in travel of individuals but also the travel of ideas.

MR. DRUCKER: And the travel of economic repercussions and economic problems.

MR. STALEY: As a matter of fact, the whole world today, measured in travel time, is a good deal smaller than George Washington's United States. It used to take about eighteen days to get from Boston to Savannah when George Washington was President. Now you can get to any important city in the world in a good deal less than fifteen days.

MR. LAVES: And the application of the same thing to the problem of communication, I suppose, would be—as you have indi-




cated on other occasions, Staley—that ideas are traveling around the world more rapidly now than they travel within countries.

MR. STALEY: Wasn't it Jan Masaryk who said that there are ideas that travel across oceans even faster than any bombing plane could fly?[3]

MR. DRUCKER: You can go even farther. You know, every time Hitler or Mr. Chamberlain speaks on the radio we hear him earlier than his audience over there. I think that is a pretty good example of how ideas travel today, perhaps quicker overseas than in their home country.

MR. STALEY: Yes, we actually hear Hitler's voice before the sound waves get to the back of the large auditorium. We may even know more about what is going on in Germany than do some of the Germans.

MR. LAVES: We have this shrinkage in terms of travel—of ideas and people. But isn't it even more important that there has been a general shrinkage of the world in terms of interdependence of

[3] *Jan Masaryk, son of the first President of Czechoslovakia.*

markets: that the market within Japan, within Germany, or within England, is directly dependent upon what takes place in, let us say, the market in Chicago?

MR. STALEY: I think you might almost say that the world today produces its goods on the principle of an assembly line such as they use in the automobile factories.

MR. LAVES: You mean that bits of raw material are added from here, there, and everywhere in the world and put on the same assembly line before this product is turned out in, let us say, the Chicago steel mills?

MR. STALEY: Take rubber, for instance. Starting in Java or Sumatra, it comes to Ohio to be made into tires; goes up to Detroit to be put on an automobile; goes out to California or Texas, perhaps, to be sold in exchange for money earned by selling oil or fruit.

MR. LAVES: And any stoppage along that assembly line causes trouble along all the rest of the line?

MR. STALEY: You have to keep the traffic moving, yes. You

remember the Charlie Chaplin film where somebody stopped the assembly line in the factory and everything piled up.[4]

MR. DRUCKER: There is a man today who looks very much like Charlie Chaplin, I think, who causes just as much stoppage on the world assembly line.

MR. LAVES: Of course, that is as central a problem, so far as the United States is concerned, as having a war going on in Europe. The assembly line is being stopped all the time as a result of the building up of tariffs.

MR. DRUCKER: You can see the repercussion. As soon as the war was declared, England and France discontinued the purchases of foods from California and Oregon and cut down on the purchases of tobacco from Kentucky, and so on. Therefore, it is not only in peace that you have the assembly line interdependent but also in war—especially in war.

MR. LAVES: Yes, and the curious thing, of course, is that most people think of the economic effects of the war in terms of a possible

[4] "*Modern Times.*"

boom for the United States.[5] They think of the war orders that are going to build up our prosperity if we can only remain neutral, when as a matter of fact they are overlooking the fact that the war has these very bad effects on us in terms of the cutting off of trade.

MR. STALEY: Yes, I once knew a teacher out in Kansas who said he "was not very much interested" in going to a certain institute of international affairs that had been announced because he said "I think first we ought to solve the problems of Kansas and then look at the problems of the world." That was in 1933 and two weeks later every bank in Kansas had closed.

MR. LAVES: Largely because of economic troubles that had developed outside of the United States.

MR. DRUCKER: Central and Eastern Europe again.

MR. STALEY: From the failure of the *Credit Anstalt* right on through—a regular sequence of events led to the failure of the bank of this man in Kansas.[6]

MR. LAVES: This interdependence shows itself not merely in the matter of trade but also in terms of politics, doesn't it? When you get political instability in parts of the world, it is a contagious sort of thing which begins to show itself elsewhere.

MR. DRUCKER: In other words, the need for some world organization becomes more and more important because the world becomes a smaller and smaller place, people are drawn closer and

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[5] *For a discussion of the effects of the war on America, see the* ROUND TABLE *broadcasts of September 3 and 17 and October 8.*

[6] *The "Credit Anstalt" was the major Austrian commercial bank. Its failure early in 1931 precipitated an international panic and caused the withdrawal of foreign balances of gold. This demand was met by moratoria in Germany, and resulted in England abandoning the gold standard in September, 1931. The panic subsided for a time but finally ended with the suspension of the gold standard by the United States in 1933.*

closer together, and, just as in a family, the closer you live together the more friction you have.

MR. STALEY: Sometimes, yes. You said a while ago that there isn't much in this idea that when you complete a new cable across the Atlantic you make a "hands across the sea" speech and after that you all are supposed to live happier because you are closer together. It doesn't work that way so much, does it?

MR. LAVES: I think there is no doubt that the greater interdependence of the world has required the creation of larger and larger political institutions to handle problems which, although at one time of concern only to one nation, are now world-wide in scope.

MR. DRUCKER: What are the various ideas which are being discussed with a view toward achieving this organization?

MR. STALEY: There are all sorts of plans. People are recognizing that since the world has become more of a neighborhood, and since neighbors are likely to fight, they must work out some way of handling their common problems. You hear ideas of a European union, with perhaps Balkan unions or Baltic unions inside.

MR. LAVES: Yes, these proposals seem to differ only in terms of the basis of the organization. The European union assumes that all the European countries will be included.

MR. DRUCKER: I have only one objection to that idea: that it would make Germany the dominant power in Europe.

MR. LAVES: But only if Germany should win this war.

MR. DRUCKER: Oh, no—under any condition, because Germany is undoubtedly the strongest industrial and economic power on the Continent, outstripping both England and France.

MR. LAVES: I would not subscribe, though, to the idea that you could not develop a political organization which would not make up for that difference. It isn't necessary for Germany to completely control the picture. After all, Germany—assuming the kind

of a Germany after the war that people are talking about now—is going to have its own dependence upon the other countries. Germany is not going to be self-sufficient within that union.

MR. DRUCKER: Certainly not, Laves, but don't you see if you split the union, if you divide the political and economic organization, you are going to get the same sort of split which broke the League of Nations? Therefore, I don't think the plan of a European union is feasible.

MR. LAVES: It is far more complicated than that though.

MR. STALEY: All this is pretty important to the average American. Whether or not the Europeans succeed in solving their problems will have a good deal to do with the kind of problems *we* will have to face. As a result, you see Americans talking about various schemes of union, too. For instance, there is Clarence Streit's plan, expounded in his book *Union Now*. He proposes a union of fifteen democracies around the North Atlantic.[7]

MR. LAVES: Streit's idea seems to be to combine the countries on a basis of ideologies: the democracies against the autocracies. He wants to bring them all together into one union. Of course, his proposal is to go across the so-called barrier of the Atlantic Ocean.

MR. DRUCKER: I think what he forgets in his plan for the western democracies is that the trouble zone, where all of the troubles have been started in Europe for a hundred years, lies to the east of his borderline, so that it would just make war between the east and the west permanent instead of making it impossible.

MR. STALEY: That doesn't necessarily follow, it seems to me.

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[7] *See the suggested readings list on page 26. The specific countries Mr. Streit would include in his "Union of the Free" are: Norway, Sweden, Denmark, Finland, Great Britain, France, Ireland, Switzerland, the Netherlands, Belgium, Canada, Australia, New Zealand, the Union of South Africa, and the United States. These nations, with their possessions, would "own half the earth, govern half the world, conduct two-thirds of the world's trade, and rule all its oceans."*

After all, you may stabilize the power situation by uniting a large bloc.

MR. DRUCKER: I don't hold with you at all. I think it is a shortcut to Utopia and is likely to do more harm than good.

MR. LAVES: Well, the question of whether Streit's plan is ultimately practical or not is, of course, very involved. I think we might note, however, under this group of American plans the proposal that was put forth by Colonel Frank Knox on one of our previous University of Chicago ROUND TABLES; his proposal that the states of the American hemisphere should get together in something of an economic or customs union. There is a suggestion that the American states isolate themselves for economic and political purposes from the rest of the world.[8]

MR. STALEY: If it means that the American states should get together in order to isolate themselves, in the first place, they probably would not succeed. But I don't believe that an American organization necessarily has to be for that purpose.

MR. LAVES: I don't think that this plan was concocted with the idea that that should be its purpose. Its hope was that we should be able to isolate ourselves from the ills of Europe and still retain our lines in order to get all the benefits from Europe.

MR. STALEY: If you consider the American organization in a broader plan of interregional organization, then I think there would be a lot to be said for it. We would learn quite a lot in trying to build up inter-American relations.

MR. LAVES: There is a very interesting point. There are some people who think what we should do is to attempt once more to establish the old League of Nations, but there is also a very substantial number of people who have separated the idea of the old League from this idea of a regional organization. They would like to have both.

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[8] *See the* ROUND TABLE *broadcast of November 12, 1939—"After the Next Armistice—What?"*

# MARCH, 1939

1. Irish
2. English
3. Welsh
4. Gaelic
5. Breton
6. Frisian
7. Dutch
8. Flemish
9. Walloon
10. French
11. Danish
12. German
13. Czecho-Moravian
14. Polish
15. Lithuanian
16. Lettish
17. Slovakian
18. Roumanian

# MARCH, 1940

19. Magyar
20. Bulgarian
21. Italian
22. Friulian
23. Slovenian
24. Serbo-Croatian
25. Albanian
26. Greek
27. Gallegan
28. Basque
29. Portuguese
30. Spanish
31. Catalan
32. Sardinian
33. Russian
34. Turkish

MR. DRUCKER: I think both of you are far too ambitious. You want to achieve too much in too short a time.

MR. STALEY: What do you want to achieve?

MR. DRUCKER: I would be very happy indeed if I could reasonably hope for a solution of small regional problems. Take a group of small nations like the Balkan nations; take an industrial sector like the west of Europe, and study their problems. In the Balkans, for instance, there is the problem of capital.

MR. STALEY: Yes, I would go along with you there. What would you do about the Balkan problem particularly?

MR. DRUCKER: The most serious European problem today—or during the last sixty years—is the Balkan problem of a rural population in industrial surroundings, with no capital and overpopulated.

MR. STALEY: How do you get them capital?

MR. DRUCKER: That is what I think you have to study and what you have to work out.

MR. LAVES: But how can you get anywhere on any plan of this sort as long as you have the prospect of nations going to war, because as long as there is this danger of war on a world-wide scale every country must continue to regiment its economy for the purpose of the war?

MR. STALEY: Yes, and you forget this also: that the capital has to come from outside the Balkans and, presumably, the people that furnish the capital want to have something to say about how things are set up.

MR. DRUCKER: Oh, certainly! I am not at all opposed to the idea of world union, only I don't think you will get anywhere if you *start* with it. I think you will have to start at the bottom and be very happy if you get a solution at the bottom.

MR. LAVES: You keep talking about us being ambitious. I am very modest in my desires in this picture. All I want is peace in our time. Would you say that is too ambitious?

MR. DRUCKER: No, I hope it isn't, but I don't think you will get it unless you reconcile yourself to the idea that in our time we will only solve the very beginning of these problems.

MR. STALEY: I would agree with that and I think Laves would too. But isn't there a possibility that the best approach of all is a combination of the method of trying to solve narrow regional problems—concrete things—and also where those problems touch upon problems of other regions, getting a more or less loose organization to begin to deal with them?

MR. LAVES: Exactly, Staley! The postal union has to be world-wide because we want our mail to go all the way around the world, but the question of maintaining peace in Latin America does not concern the countries of Central Europe.

MR. STALEY: The problem of Japan also cannot be solved in the Far East. Japan has a large number of people living on a small island. They cannot have a high standard of living if they all engage in agriculture only. They must specialize, and that means they must sell some things abroad—let's say textiles—and import some raw materials.

MR. LAVES: Exactly! And the mere attempt to solve the problem of the Balkans is not going to make any difference so far as Japan is concerned.

MR. DRUCKER: No, but it will make a great difference so far as Central Europe is concerned . . . .

MR. LAVES: Exactly!

MR. DRUCKER: . . . . and you will neutralize some of your worst trouble zones. That, I believe, is the way to go about it.

MR. LAVES: That is exactly the point I have been making throughout: that there are certain of these problems that are world-wide, and you cannot assume that to approach this problem from what you call the bottom up is to throw out the possibility of a world organization.

MR. DRUCKER: No.

MR. STALEY: You are like my man who is going to settle the problems of Kansas first and then go at the world problems. I would argue that you have to work on the problems of Kansas to be sure, but at the same time you must work on some world problems—economic problems particularly—that are also problems of Kansas.

MR. DRUCKER: I think we won't get together on the method, but we should be able to get together on the problems which must be solved. What would you say is the first one?

MR. STALEY: I know more about the economic side. I would say there are three economic essentials of peace. First, we must have some alternative to conquest: economic opportunity without going out and getting territory by force.

MR. LAVES: You don't consider the solution of the problem would be to provide every country with a large enough empire to make it economically sufficient?

MR. STALEY: No, it can't be done.

MR. DRUCKER: There aren't enough empires to go around.

MR. LAVES: Those are the ambitions of some countries at the present time.

MR. STALEY: You cannot have peace unless you can get your economic goods by trade rather than by fighting. Secondly, I think you must have a reasonable amount of economic stability. You cannot have these terrific ups and downs.

MR. LAVES: Within countries or between countries?

MR. STALEY: Both. The United States, I think, might contribute a great deal to world peace if we could succeed in stabilizing our economy.

MR. LAVES: But is it possible to do that on the basis of the United States alone?

MR. STALEY: We can do a good deal by our domestic policy, but I think we can do more if we use both domestic policy and coordination, let's say, of public works policy along the lines the International Labor Organization has been suggesting, and things of that kind.[9]

MR. LAVES: You want international cooperation on national economic fronts.

MR. DRUCKER: And what about international cooperation on international economic problems? Let's say the flow of trade or the flow of capital. I would almost say that capital today is more important than trade, or is becoming more important.

MR. STALEY: Especially from the point of view of world stability.

MR. DRUCKER: I agree with you.

MR. STALEY: The third essential that I would mention is that we must have a reasonable amount of economic development. We must develop backward areas of the world and raise the standards of living of people who already have fairly decent standards of living.

MR. DRUCKER: I would consider that even before your economic requirements comes another one; namely, that the world be relieved of the burden of armaments, which simply throttle the economy and throttle civilian life everywhere.

MR. LAVES: When you are talking about a plan for uniting the world, or a plan for world union, it is impossible to hope for disarma-

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[9] *The International Labor Organization is an autonomous group with headquarters in Geneva, Switzerland. It is composed of government representatives from the various participating countries (including the United States), together with employer and worker delegates from each nation. Its main activity is the recommending of "draft conventions" on labor conditions and practices to its various members. It has no authority to do more than recommend.*

ment on any large scale as long as some nations can talk about having no access to raw materials or to colonies; as long as nations think they cannot become prosperous. It seem to me these things are very closely related.

MR. DRUCKER: Yes. I don't think you can really split them up. Don't forget that you will have to get some modification of national sovereignty; some rule of law instead of rule of man in international affairs, which will make it impossible for every nation to do just whatever it pleases.

MR. LAVES: I think that will show itself particularly on the question of boundaries, on the question of settling disputes between countries. We have gone on the assumption—and, incidentally, the United States has been one of the worst offenders, I think—that what goes on in the United States on questions of American foreign policy concern only us and nobody else and it is up to us and us alone to decide what's what.

MR. DRUCKER: I don't think we are any different in that respect from anyone else.

MR. STALEY: The problem is for everyone, and everyone must see that in his own interest he must agree to give up the right to do just as he pleases every time and in every case and get together to decide things where there are common problems.

MR. DRUCKER: We have to recognize that we are living in a community.

MR. STALEY: Yes, we do that in our cities. We don't insist upon being able to go through traffic lights if we please, or even upon not paying our taxes if we don't want to.

MR. LAVES: Would you also agree, Drucker, that we must have limitations upon national sovereignty?

MR. DRUCKER: I think we must have them, ultimately, but I wonder whether it will be very soon or whether we will have to approach by a long and arduous way.

MR. LAVES: Isn't it also necessary to establish international standards for the protection of minorities and for facing the cultural problems that arise in other countries?

MR. DRUCKER: Yes, but I would much rather start these standards from closely determined and sharply limited local and regional problems than from a general standard.

MR. LAVES: You mean you would not attempt first to establish a code of international law?

MR. DRUCKER: I would much rather attempt to establish a system of Balkan law, a system of Pacific law, rather than international law.

MR. STALEY: I'd go along with you, certainly, that we ought to have local control of local problems and regional control of regional problems, but the funny thing is that whenever you mention a problem that you say is local it turns out to be international and interregional—world-wide.

MR. DRUCKER: There are no local problems. The question is, shall we approach it from the top with great ambitions and great hopes or shall we approach it from the bottom with very modest hopes and very modest expectations?

MR. STALEY: Or combine the two.

MR. LAVES: When you get down to the specifics of all these problems it is a question of profits and jobs for all these people. We produce automobiles in the United States which we sell somewhere in a world market. We don't sell them within a regional market. We cannot get rid of all the automobiles we are producing within north-south trade lines. Our normal trade lines run east and west.

MR. DRUCKER: We don't disagree at all on the facts as far as I can see. Where we disagree—and disagree violently, I believe—is on the approach, and perhaps on how optimistic or how pessimistic we are. But in addition I feel that, while we have been discussing

the mechanics of the future peace today, one other element is necessary; namely, a moral or spiritual common basis for future permanent peace.

MR. LAVES: I think you've got something there that really ought to be discussed. I think it is a long and involved problem. No one can deny the fact that in some countries at any rate the effort to get from the appeal to the economic man to an appeal to the psychological or the folk-man has been extremely popular.

MR. STALEY: In the meantime, it seems to me, you can get at some of these problems in creating a common will by working on concrete, specific problems.

MR. LAVES: And certainly these problems, so far as you and I are concerned anyway, Staley—even if Drucker won't go with us on everything—

MR. DRUCKER: No, I think I won't.

MR. LAVES: .... are economic, military, and sovereignty problems. Those are the three essentials which have to be faced in any sort of a discussion.

MR. STALEY: Yes, and I think that in any discussion of the bases of world peace, and of whether or not the world can unite, we must take into account not only what is the situation today, but what it is going to be, say, twenty-five years from now. It is going to be even more necessary then.

MR. DRUCKER: Then what do we agree upon?

MR. LAVES: We agree on the fact that everywhere men are preparing for peace in time of war. The reason is that the new problems of the modern world are essentially community problems, which must be solved not by any separate action of separate states but by some world community means. On this, of course, all people agree. But they disagree on how to go about it—and certainly we do here. Some of us want to solve small specific problems first; some

of us think we should first set up an organization. Some people want it on a regional basis, some on a world basis.

We three certainly do not agree on any one specific plan, but we do agree that any plan must face the essential requirements which we have discussed here; namely, the requirements in regard to trade, disarmament, and limitations upon national sovereignty.

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## QUESTIONS FOR ANALYSIS AND DISCUSSION

*The following questions of wider scope, intended for discussion, are suggested by the broadcast, and answers may be found in the literature on the subject listed in the section "Suggested Readings," found on page 26.*

*

1. "We had better start with little things first and then move on to a world-wide plan later." Do you agree with this argument for a regional, as opposed to an international, system of world government? Develop the case for a world-wide system, or, if you prefer, for a regional one.

2. Assuming the possibility that Europe will set up a European union after the war, how do you think these major problems would be solved:

*a*) Central organization: (Democratic, part democratic and part dictatorial, or all dictatorial?)

*b*) Tariff barriers: (To go, or which—if any—to stay?)

*c*) Armament: (A common military and police force, or merely an amalgamation of present forces, each retaining a large degree of independence?)

*d*) Finances: (Central authority over money, postage and communications systems, weights and measures?)

*e*) Legislature: (What kind, with what sort of representatives?)

*f*) Executive power: (One leader or a committee? Elected by the people? What would his—or its—powers be?)

3. What should America's policy be toward any plan of world federation? Why?

*a*) It is of no concern to us what other powers do. Stay out of any federation.

*b*) Join it and so help preserve world peace.

*c*) Form a pan-American union but stay out of any world-wide system.

4. Discuss ways in which the peoples of the world have been drawn closer and closer together by technology and science. How does this affect peace and security?

* * *

## OBJECTIVE QUESTIONS FOR EXAMINATION

*The answers to the following questions may be found in the text of the broadcast, and page references are provided to assist in locating the answers.*

*

1. Name several wars which preceded the outbreak of the present European. Page 3.

2. Why must a neutral like Sweden ration foodstuffs today? Page 4.

3. Give an example of how the world has "shrunk" in terms of improved transportation and communication. Pages 6–7.

4. Name some American exports which the outbreak of war in Europe affected *adversely*. Page 4.

5. What is the general organization of the world federation proposed by Mr. Clarence Streit? Page 12.

6. Give an example of the sort of regional federation suggested as an alternative to world-wide union. Pages 13 and 16.

7. Name one of the world-wide "service" federations which exists today, uniting various governments in the exercise of a general, universal function. Page 17.

8. What are Mr. Staley's three "economic essentials of peace"? Pages 18–19.

## SUGGESTED READINGS

"America and a Federal Europe," *Christian Century*, January 24, 1940. *An outline of America's interests in and obligations toward the formation of a European federation.*

"Federation or Else," *Commonweal*, February 9, 1940. *Presents a Catholic position on the question of federation and urges further consideration of the idea as a possible instrument to stop the spread of naziism, fascism, and communism.*

KOHN, HANS, "The World Must Federate!" *Asia*, February, 1940. *A short appeal for a united democratic world as the only alternative to chaos. Followed by critical analysis and discussion in the March and April issues of the magazine.*

MANN, THOMAS, "Two Visions of Peace," *Nation*, February 10, 1940. *Germany's celebrated refugee author discusses the alternatives of a federated Europe or the dominance of a single, absolutist state after the European War.*

STREIT, CLARENCE K., *Union Now.* New York: Harper Brothers, 1939. *The most comprehensive discussion of world federation available; considers primarily the author's plan for a union of democracies, but treats as well all the other phases of the federation problem.*

STREIT, CLARENCE K., and HOWE, QUINCY, "Shall We Have Union Now?" *Forum*, July, 1939. *Opposing arguments on the problem of world federation—both writers approaching the question from the American point of view.*

SWING, RAYMOND GRAM, "Incitement to Treason," *Nation*, February 10, 1940. *Peace in Europe may come through federation, but no real peace can be planned until America decides what she wishes to do; Americans must undertake the job of settling our peace policy at once.*

# The Listeners' Round Table . . . .

*Letters to the* ROUND TABLE *frequently contain sidelights on the subject matter discussed on the air. These comments are from letters received following recent broadcasts.*

*

## Defeatism

Being an editor, and not having a high opinion of people who "write in" and get excited about editorials and such, I suppose I shouldn't say anything about your ROUND TABLE of yesterday [March 3], but I was nonplussed at what I heard.

I expected to hear a discussion based upon economics, but most of the talk was typical political small change. I settled back in my chair to listen to what I thought would be a scholarly analysis of the economic fundamentals as they apply to the New Deal philosophy and that of New Deal opponents, as I enjoy such analyses much more than the current political hooey.

If there ever was a clear-cut, fundamental difference in economic theory, it is now.

The New Deal is firmly committed (even despite a few ineffectual denials) to a defeatist theory that production is as high as it should be—that it should be restricted and controlled, that high prices are desirable, and that machines have permanently put 10,000,000 out of jobs.

The intelligent opposition (and there is plenty of it in both parties—observers who don't care about political hooey) claims that prosperity can be brought back by bigger production, free enterprise, lower prices, all of which can be brought about by restored confidence. I doubt that there was ever a more important or far-reaching contrast in philosophies than in the present situation.

I don't know that the Republican party will be able to see it. I don't have any too much respect for Republican leadership. But thoughtful men in both parties do see it.

There is unlimited support for the bigger production principle. Brookings Institute has done a thorough research job on this, proving that commodities can be continually lowered in price, improved in quality, with higher wages to employees, through quantity production, intelligent merchandising, and restored confidence of the buying public. In the case of one commodity in common use, 38 different reductions in price were made, and wages were constantly increased. The automobile industry is another great example.

The climax of naïveté was reached, it seemed to me, in the statement of Professor Ise of Kansas that businessmen had no more reason to complain of New Deal policy than workers and the rest of the public, since all have suffered alike. And yet he purported to be defending the New Deal! He was more right than he thought, for it is

undoubtedly true that workers and the general public do suffer along with businessmen.

I was particularly amazed that your group purported to talk of the Glenn Frank report, but didn't even mention the principles mentioned above, which formed the backbone of the report.

E. T. P., Oklahoma

*

## Excess Reserves

In listening in on today's ROUND TABLE discussion I marveled again, as I have often done before in hearing similar discussions, at the way the debaters avoid the only possible solution, under the capitalist system, of the problem discussed. As your debaters are not politicians I cannot understand how they miss the solution.

For what other way of achieving recovery can there be, under the capitalist system, than that of stirring into activity *in consumer channels* most of the 5¾ billions of non-interest-bearing demand deposits (98½ per cent of the depositors being insured up to $5,000) representing the excess reserves of the commercial banks? This hoarded money is waiting for an absolutely safe investment that does not present itself, and that the *very fact of this hoarding* makes impossible.

A. B. H., Oregon

*

## Republican

It has often been stated that machines do not cause unemployment because, they say, it takes so many men to make the machines. That is more hokum. If the machine did not displace more labor that it takes to build it, there would be no machines built.

I have voted for every Republican Presidential candidate from Theodore Roosevelt to Alfred Landon, inclusive, and I am beginning to think that neither political party as such is big enough to bring the nation out of the mess it is in.

C. J., California

*

## When Sanity Returns

I must give credit to Professor Douglas for having mentioned the restrictions by labor unions as one of the contributory causes toward the continuance of this, our longest depression. You look out from your windows and see ships idle by reason of war. I look at the Seattle harbor and see rows of docks empty because the exactions of the marine unions have tied up our commerce.

Normally the construction of special buildings for industrial and business tenants is one of my main forms of activity, an activity which has entirely ceased by reason of the attitude of the labor unions and of the government in supporting union radicalism. When sanity again returns to the White House, and so throughout the land, I will again start to build, which is not in itself important, but the fact that thousands of other men situated as I am and believing as I do will again start to build is of vital importance.

R. C. E., Washington

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98. *The Jews*
99. *Economic War Between the States*
100. *Is Russia Losing in Finland?*
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102. *War Myths*
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104. *Is America's Economic Frontier Closed?* March 10

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## MARCH 24, 1940

●

**GEORGE FIELDING ELIOT,** Former Major in the Military Intelligence Reserve, United States Army

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●

## SUGGESTED READINGS


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